



# Supplement to 6/15/2015 MPWMD Board Packet

Attached are copies of letters received between May 11, 2015 and June 9, 2015 . These letters are also listed in the June 15, 2015 Board packet under Letters Received.

Author	Addressee	Date	Topic
Matt McCarthy	David J. Stoldt	5/29/15	Response to comments to Draft EIR (SCH No. 2014031008) for petition of Clint Eastwood and Margaret Eastwood Trust to change License 13868 (Application 30497B) to appropriate water from Carmel River in Monterey County
Cynthia Herzog	MPWMD	6/1/15	Notice of Preparation/Notice of Intent of a Draft EIR and notice of public scoping meeting
Timothy Quinn	MPWMD	5/15/15	ACWA 2015 Excellence in Leadership Award

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EDMUND G. BROWN JR., GOVERNOR



MATTHEW RODRIGUEZ SECRETARY FOR ENVIRONMENTAL PROTECTION

State Water Resources Control Board

In Reply Refer to:  
MSM:A030497B

MAY 29, 2015

David J. Stoldt  
General Manager  
Monterey Peninsula Water Management District  
P.O. Box 85  
Monterey, CA 93942-0085  
[dstoldt@mpwmd.net](mailto:dstoldt@mpwmd.net)

RECEIVED  
MAY 29 2015  
MPWMD

Dear Mr. Stoldt:

RESPONSE TO COMMENTS TO DRAFT ENVIRONMENTAL IMPACT REPORT (SCH NO. 2014031008) FOR PETITION OF CLINT EASTWOOD AND MARGARET EASTWOOD TRUST TO CHANGE LICENSE 13868 (APPLICATION 30497B) TO APPROPRIATE WATER FROM CARMEL RIVER IN MONTEREY COUNTY

The State Water Resources Control Board is the lead agency for the above project under the California Environmental Quality Act (CEQA). The CEQA Guidelines requires a lead agency, at least 10 days prior to certifying an Environmental Impact Report, to provide a written proposed response to a public agency on comments made by that agency. (Pub. Resources Code, § 21092.5; Cal. Code Regs., tit. 23, § 15088.)

Enclosed is copy of your letter dated December 15, 2014 providing comments on the draft Environmental Impact Report for the above project, and our proposed written response to your comments.

If you have any questions, please contact Mitchell Moody at (916) 341-5383 or [mitchell.moody@waterboards.ca.gov](mailto:mitchell.moody@waterboards.ca.gov). Written correspondence or inquiries should be addressed as follows: State Water Resources Control Board, Division of Water Rights, Attn: Mitchell Moody, P.O. Box 2000, Sacramento, CA 95812-2000.

Sincerely,

Matt McCarthy, Chief  
Coastal Lahontan Unit  
Division of Water Rights

Enclosure: Proposed Responses to Comments

cc: Please see next page.

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, Ca 95812-0100 | [www.waterboards.ca.gov](http://www.waterboards.ca.gov)

David J. Stoldt, General Manager

- 2 -

MAY 29, 2015

cc: Bartkiewicz, Kronick, & Shanahan, APC  
c/o Alan B. Lilly  
1011 22nd Street  
Sacramento, CA 95816  
[abl@bkslawfirm.com](mailto:abl@bkslawfirm.com)



December 15, 2014

via [Mitchell.Moody@waterboards.ca.gov](mailto:Mitchell.Moody@waterboards.ca.gov)

Mitchell Moody  
 SWRCB Division of Water Rights  
 PO Box 2000  
 Sacramento, CA 95812-2000

**Subject: MPWMD Comments on Draft EIR for Eastwood/Odello Water Right Change Petition (License 13868, Application 30497B), Carmel River, Monterey County; SCH# 2014031008**

Dear Mr. Moody:

The Monterey Peninsula Water Management District (MPWMD or District) appreciates this opportunity to comment on the above-referenced Draft Environmental Impact Report (EIR) for the proposed Change Petition for water rights associated with the Eastwood/Odello property along the lower Carmel River. A portion of existing rights would be transferred to California American Water (Cal-Am) for use by the community, while a remainder portion will be dedicated for instream benefits. The MPWMD is responsible for integrated water resources management for the Monterey Peninsula; its boundaries include the lower Carmel River watershed and the Cal-Am service area. In this case, the District will serve as a Responsible Agency under the California Environmental Quality Act (CEQA) and rely on the certified EIR for this project. The District's comments are as follows:

**Chapter 1.2** -- The District concurs with the EIR text regarding the need for new MPWMD Rule 23.7, similar to the current Rule 23.5, that would specify a procedure for processing applications for Water Permits for new construction or remodels, based on proposed License 13868A. The proposal is for dedications of Cal-Am water for use on subscriber projects within the Carmel River watershed or the City of Carmel-by-the-Sea. It is noted that Rule 23.5 also refers to required fees for an MPWMD Water Permit as specified in Rule 24 (fee based on proposed fixture units).

In addition, MPWMD Rules 20, 21 and 22 require written District approval to amend an existing Water Distribution System (WDS). This would entail a separate permit process and public hearing for the Cal-Am WDS, similar to the recent Cal-Am/Cypress Amendment, when Cal-Am received water rights from property owners in the Seaside Groundwater Basin.

**Chapter 3.3 and 3.9.3** -- The District has the same comments as for Chapter 1.2 above regarding the MPWMD permit processes. In addition, in the context of water supply/resource planning associated with an interconnected service area, the District is interested in subscriber projects located in other portions of the Cal-Am service area outside the watershed boundary, not

L-1

L-2

limited solely to the City of Carmel-by-the-Sea. Notably, the District has received several questions from the public regarding this possibility. A broader service area would not change the direct impacts to the Carmel River and associated species. However, the Final EIR should analyze the cumulative and other effects of subscriber projects located anywhere within the local Cal-Am service area.

L-2

**Chapter 4, Page 4.1-14** – The third full paragraph, last sentence states: *“In addition, MPWMD also implements annual CRLF [red-legged frog] and steelhead rescues, habitat enhancement activities, and monitoring to minimize potential effects due to groundwater withdrawals.”* This is incorrect. CRLF rescues are not and never have been part of the MPWMD Mitigation Program. Instead, CRLF rescues are conducted by a consultant under contract to Cal-Am as authorized by the U.S. Fish and Wildlife Service (USFWS).

L-3

**Chapter 4, Page 4.1-35** – The fourth full paragraph, last sentence states: *“Because the proposed project has the potential to reduce or eliminate pumping at the current PODs [Points of Diversion] for License 13868, the proposed project would slightly increase surface flow immediately upstream of the lagoon during pre-winter conditions, potentially improving steelhead habitat in the lagoon (HDR, 2014a).”* The District disagrees with this statement as written. There will be no net effect, which is not the same as a net improvement. The POD is still utilizing as much net water as before (85.6 AFY, the net amount currently diverted minus net historic return/percolation flows from irrigation), which would be diverted upstream. Thus, the net underflow/surface flow passing out of the original POD area will not differ.

L-4

**Page 4.1-37, fourth full paragraph (Juvenile Steelhead Rearing)** – The text concludes that the project would not adversely affect steelhead rearing habitat or cause the loss of steelhead rearing habitat during years when summer flows persist in the project area. The District disagrees with this conclusion. The impacts identified in this section may be meaningful and significant during years when these low flows occur and the amount of juvenile rearing habitat in the project reach is at critically low levels.

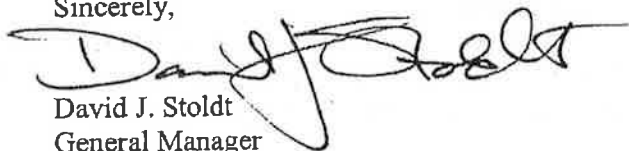
L-5

**Page 4.1-41, first full paragraph, last sentence:** The text states, *“Also, because the project has the potential to reduce or eliminate pumping at the current PODs for License 13868, it could slightly increase surface flow immediately upstream of the lagoon during pre-winter conditions, potentially improving steelhead habitat in the lagoon (HDR, 2014a).”* The MPWMD disagrees with this conclusion (see comment on page 4.1-35 above). Moving the point of diversion and using the same total volume of net diversion upstream cannot increase flows downstream.

L-6

Thank you for your consideration. I can be reached at 831/658-5650 or [dstoldt@mpwmd.net](mailto:dstoldt@mpwmd.net) if you have questions.

Sincerely,



David J. Stoldt  
 General Manager

Mitchell Moody  
December 15, 2014  
Page 3 of 3

MPWMD Comments on Eastwood/Odello DEIR

cc: Larry Hampson, District Engineer  
Henrietta Stern, Project Manager  
Kevan Urquhart, MPWMD Senior Fisheries Biologist

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Reviewed by District Engineer (LH) and General Manager (DS)

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT (MPWMD) RESPONSE**

**L-1** Comment regarding approval processes at MPWMD noted. The EIR has been amended in Chapters 1.2, 3.3 and 3.9.3 to note the additional approval processes.

**L-2** The comment states that the Final EIR should analyze the cumulative and other effects of additional subscribers located in the larger Cal-Am service area as opposed to the proposed place of use described in the Draft EIR (i.e., City of Carmel-by-the-Sea and Carmel River Watershed). Moreover, the comment further states that a broader service area would not change the direct impacts to the Carmel River and associated species.

The commenter correctly notes that a larger service area that would include all of the local Cal-Am service area would not result in any additional direct impacts beyond those associated with the proposed project. While a larger service area would not result in any additional direct effects, the secondary (or indirect) impacts associated with the development of existing lots of record in the local service area would be inherently speculative and beyond the scope of the project's identified POU. The scope of the analysis contained in the Draft EIR was limited to potential secondary effects within the City of Carmel-by-the-Sea and the unincorporated areas of Monterey County located within the Carmel River Watershed. The proposed POU under License 13686A is limited to those areas, as discussed in the Draft EIR.

The comment also suggests that the EIR should evaluate the cumulative effects of additional subscribers in the larger Cal-Am service area. An evaluation of cumulative effects associated with additional subscribers outside of the proposed POU would be inherently speculative in nature. Moreover, CEQA Guidelines Sec. 15130(b)(2) states that location represents an important aspect in determining the scope and nature of the cumulative analysis. As described therein, the cumulative analysis may take into consideration the location of the project and its type in determining when to include related projects. In addition, CEQA also provides that the cumulative analysis should be "guided by the standards of practicality and reasonableness, and should focus on the cumulative impact to which the identified other projects contribute rather than the attributes of other projects which do not contribute to the cumulative impact (CEQA Guidelines Sec. 15130(b))." As described in the Draft EIR, the cumulative analysis specifically evaluated those projects which were related geographically (i.e., located within the POU) and would result in potential impacts to similar resources (i.e., hydrology and water quality, and biological resources). Use of water diverted under License 13868A is not being proposed within the greater Cal-Am service area. As a result, it would be inappropriate to include an analysis of the cumulative effects of development within the larger Cal-Am service area because

these projects are not related geographically and would not result in similar direct impacts as the proposed project.

- L-3** The comment states that MPWMD is not responsible for implementing CRLF rescues and that these activities are conducted by a consultant under contract to Cal-Am. The Draft EIR has been revised to clarify the nature of CRLF rescues and MPWMD's responsibilities related to implementation of the Mitigation Program. Minor revisions to the Draft EIR have been incorporated in response to this comment; please refer to **Chapter 3.0, Revisions to the Draft EIR**.
- L-4** This comment disagrees with the conclusions contained in the Draft EIR related to potential increase surface flows downstream of the existing POD. Specifically, the comment suggests that the underflow/surface flow passing out of the original POD area would not differ after the project is complete.

A detailed evaluation of the proposed project's potential hydrologic effects was performed by Balance Hydrologics, Inc., Davids Engineering, Inc., Macaulay Water Resources, and West Yost Associates. Based on the results of those evaluations, the Draft EIR identified that the proposed project could result in a slight increase in surface flows below the current POD identified under License 13868 due to a corresponding net reduction in pumping as compared to existing, pre-project conditions, and changes in demand patterns associated with municipal use, which would result in seasonal changes in pumping. The estimated reductions in pumping during the summer months could result in slightly greater surface flow downstream of the existing POD during this period. As stated by Balance (2014a), the proposed project would result in no negative impact to inflows to the lagoon. Please refer to Response B-3 and B-4 for further discussion. Minor revisions to the Draft EIR have been incorporated in response to this comment; please refer to **Chapter 3.0, Revisions to the Draft EIR**.

- L-5** The commenter disagrees with the conclusions contained in the Draft EIR regarding the project's potential effects to steelhead rearing habitat during the summer. Specifically, the comment suggests that potential impacts may be meaningful and significant during years where low flows occur and that the amount of habitat is at critically low levels. While the commenter asserts that potential impacts may be meaningful and significant, the comment is not supported by evidence. As a result, a detailed technical response to the merits of this comment is not possible. Nevertheless, the Draft EIR appropriately evaluated the proposed project's potential impacts to biological resources (i.e., juvenile rearing habitat) based on detailed project-specific technical analysis in accordance with the requirements of CEQA. Moreover, as described in further detailed below, impacts would not be significant.

The Draft EIR appropriately evaluated and described the nature of project-related effects and determined that they would be less-than-significant (see Draft EIR pg.



4.1-37). The analysis contained in the Draft EIR was based on detailed technical analyses prepared by Balance and HDR. As described in the Draft EIR, juvenile steelhead rarely occur in the lowermost river (downstream of RM 6.7) due to low flow or no flow, and warm temperatures during the summer. Monitoring by MPWMD indicates that juvenile rearing is substantially greater upstream. Moreover, juvenile rearing habitat is constrained in the lower Carmel River when flow at the Near Carmel gage falls below 1 cfs during the months of June-December (J&S, 2006) because much of the lower river is dry. When flows do occur during this period, the project could decrease surface flow in the Project Affected Reach by up to 0.16 cfs. A reduction of 0.16 cfs would increase the time that rearing habitat is constrained by less than 1 percent. According to HDR, the proposed project's limited effects (when flows are present) would not adversely affect steelhead rearing habitat or cause the loss of steelhead rearing habitat during the rare occasions when flows in the project affected reach persist through the summer (Draft EIR pg. 4.1-37).

- L-6** This comment reiterates comments described in L-4 above. See Response B-3, B-4, and Response L-4 above for a detailed response to this comment. The Draft EIR stated that the Proposed Project could result in a slight increase in surface flows below the current POD during certain periods due to 1) a net reduction in pumping as compared to existing, pre-project conditions, 2) the dedication of 46.2 af/yr to instream uses under License 13868B, and 3) changes in demand patterns associated with municipal use (as compared to irrigation demand). As discussed in Response B-4, a municipal demand pattern would result in reduced pumping over the drier periods (i.e., summer/fall) when peak irrigation demand typically occurs. As a result, an increase in surface water flows could occur during these pre-winter conditions. Overall, the project would reduce the amount of pumping as compared to existing pre-project conditions, as described in the Draft EIR. The reduction of pumping during these periods could slightly increase the volume and duration of surface water flows downstream of the existing POD during pre-winter conditions, which could potentially improve steelhead habitat (HDR, 2014a). The Draft EIR has been revised to clarify the nature of project impacts in response to this comment; please refer to **Chapter 3.0, Revisions to the Draft EIR** for more information.

The various alternatives evaluated in this EIR would result in the construction of physical improvements and related infrastructure, which would result in additional direct environmental effects beyond those associated with the proposed project. As a result, the Alternative Place of Use alternative could be environmentally superior to the other alternatives analyzed in this EIR. This alternative would not result in the physical construction of infrastructure improvements and therefore would not result in any additional environmental impacts beyond those associated with the project. ~~Whereas, the Individual Well Alternative, which could include the well location identified in the CDFW and NOAA Protest-Dismissal Agreements (Eastwood/Cañada Individual Well),~~ and Existing POD alternative would both result in the construction of physical improvements and related infrastructure, which could result in greater direct effects than the proposed project. While the Alternative Place of Use alternative would be superior in the sense that it would result in less adverse effects than the other alternatives, it would not lessen or otherwise avoid the adverse, albeit less-than-significant, impacts associated with the project.

**Page 2-3 and page 2-4, Environmentally Superior Alternative, last partial paragraph, is revised as follows:**

While both the Alternative Place of Use alternative and Existing POD Alternative would be considered superior in some regards, the Individual Well Alternative, which could include the well location identified in the CDFW and NOAA Protest-Dismissal Agreements (Eastwood/Cañada Individual Well), is herein identified as the environmentally superior alternative. This alternative is identified as the environmentally superior alternative on the basis that this alternative would involve limited (less-than-significant) construction related effects (i.e., construction of new well or rehabilitation of existing well) as compared to the other alternatives. The Individual Well Alternative also includes the construction (or rehabilitation) of a well that is located farther downstream of the proposed PODs, and therefore would result in a smaller affected reach of the Carmel River than the affected reach under the proposed project, although as explained in **Chapter 6, Alternatives**, the relative impacts between this alternative and the proposed project in this regard are nominal and under each scenario would result in a less than significant impact.

**Page 4.1-14, third full paragraph, is revised as follows:**

The quality of riparian habitat within the Carmel River watershed also varies. According to MPWMD, the furthest upstream portions of the Carmel River (the nine-mile reach upstream of Los Padres Reservoir) are the least impacted by human influences and remain naturally sustainable (MPWMD, 2004). Between Los Padres Dam and the Narrows,<sup>7</sup> a distance of approximately 15 miles, riparian areas appear to be in reasonably good condition, although channel degradation (incision into sediment deposits) immediately downstream of Los Padres Dam and San Clemente Dam has left the root structures of many streamside trees exposed to scour and erosion. Between the Narrows and the Pacific Ocean, a distance of approximately 10 miles, much of the riparian-wetland area is functionally impaired due to groundwater extraction and development adjacent to the stream banks (CRWC, 2005). To minimize potential upstream impacts to biological resources due to groundwater withdrawals, the majority of groundwater extraction occurs within the lower 10 miles of the Carmel River, which includes the five-mile project study area. To offset potential impacts due to groundwater withdrawals, MPWMD implements a variety of measures (e.g., irrigation, vegetation maintenance, stream bank reconstruction, etc.) as part of the Mitigation Program. In addition, MPWMD also implements annual ~~CRLF~~ and steelhead rescues, habitat enhancement activities, and monitoring to minimize potential effects due to groundwater withdrawals. Cal-Am is responsible for implementing CRLF rescues as authorized by the U.S. Fish and Wildlife Service.

**Page 4.1-22, 1<sup>st</sup> sentence of first partial paragraph, is revised as follows:**

<sup>7</sup> Narrows refers to the portion of the Carmel River upstream of the alluvial valley.

... In general, steelhead migrate to the sea as one two year old fish, spend two years in the ocean, and then return to fresh water to spawn. Peak spawning for steelhead occurs from December through April in small streams and tributaries (HDR, 2014a).

**Page 4.1-35, last full paragraph, is revised as follows:**

Current groundwater pumping of approximately 5 cfs in the Rancho Cañada area several miles upstream of the lagoon leads to an annual cycle – with pre-winter groundwater depressions extending west to above Rio Road, followed by rapid wintertime recovery. If pumping at the current PODs for License 13868 is causing similar depressions, the primary source of summer freshwater flow into the lagoon currently is being reduced by this existing pumping under License 13868. Because the proposed project has the potential to reduce or eliminate pumping at the current PODs for License 13868, the proposed project could potentially ~~would~~ ~~slightly~~ increase surface flow immediately upstream of the lagoon during pre-winter conditions, potentially improving steelhead habitat in the lagoon (HDR, 2014a). The extent and volume of potential increased flows would be limited due to the attenuating effects of withdrawing water from the aquifer as opposed to directly from the river. However, the net volume of water that is being pumped now is already accounted for in the water balance for the lagoon under existing conditions, and therefore no negative impact to lagoon inflows would result from the proposed project (Balance, 2014a; see also WYA, 2013).

**Page 4.1-41, 1<sup>st</sup> full paragraph, is revised as follows:**

As discussed above, HDR Inc. evaluated the potential effects of the project on steelhead riverine and lagoon habitat, juvenile rearing, adult spawning, and migration. The evaluation concluded that the reductions in flow resulting from the proposed project would not be large enough to prevent or interfere with steelhead or their various life stages or habitat requirements, particularly their migration, in a manner that would substantially reduce their numbers or restrict their range. The evaluation also concluded that riverine habitat availability and utility, assessed in terms of LWD, substrate, channel morphology, and flow, was of very low quality within the evaluation area. Also, because the project has the potential to reduce or eliminate pumping at the current PODs for License 13868, the proposed project would not affect lagoon inflows and it could slightly increase surface flow immediately upstream of the lagoon during pre-winter conditions, potentially improving steelhead habitat in the lagoon (HDR, 2014a).

**Page 4.1-41, 2<sup>nd</sup> full paragraph, is revised as follows:**

Therefore, because of: 1) the location of the project and the habitat quality in the potentially affected reach of the Carmel River, 2) the timing of potential impacts relative to steelhead life-stage periodicity in the potentially affected reach, and 3) the very small changes in surface flow in the project affected reach that would occur due to the proposed project, the proposed project would not significantly affect Carmel River steelhead population or its designated critical habitat (HDR, 2014a; HDR 2014b; Balance 2014a; Balance 2014b). The proposed project would not result in the loss of steelhead. Steelhead abundance and production currently supported under the existing conditions would not change with implementation of the proposed project.

**Page 4.2-29, last paragraph beginning on page 4.2-29 and continuing onto 4.2-30, is revised as follows:**

The recommended instream flow requirements identified by CDFW in 1983 did not include any specific recommendations for minimum instream flow according to season. In 2002, NMFS issued a report, which identified recommended instream flows to protect stream-related fish and wildlife resources (i.e., steelhead). MPWMD recently indicated that it is studying instream flow requirements and that preliminary results indicate that actual minimum instream flow requirements to protect stream-related fish and wildlife resources

are anticipated to be lower than those initially estimated by NOAA and CDFW (HDR, William Snider, personal communication, 2014).<sup>8</sup>

Page 5-3, Table 5-1 is revised as follows:

**Table 5-1**  
**Vacant/Undeveloped Parcels**  
**Unincorporated Monterey County & City of Carmel-by-the-Sea**

Jurisdiction	Place of Use (acres)	Vacant Residential Lots	Vacant/Underutilized Commercial (unit)	Public Facility	Industrial	Other
Monterey County	16,525	492	239 acres	N/A	0	N/A
Carmel-by-the-Sea	526	5856*	78 82 residential dwelling units; commercial unknown**	Public Restroom(s)	0	N/A

Notes:

\*Single-family residential. Total number of potential units is estimated to be 74 70 dwelling units. This assumes minor subdivisions of seven (7) existing lots of record. As described elsewhere in this EIR, License 13868A would not be used for the purposes of any new commercial or residential subdivision. It is estimated that the project could serve up to 53 dwelling units on existing vacant residential lots in the City of Carmel-by-the-Sea. Twenty-seven of these lots are located outside of the watershed.

\*\* While not quantified in the 2007-2014 Housing Element, additional mixed-use dwelling units could be developed through the conversion of space in commercial buildings to residential uses (e.g., upper floor offices converted to dwelling units). As described elsewhere in this EIR, municipal water use under License 13868A would not be used for the purposes of new subdivisions, including any subdivisions that may occur in connection with the conversion of commercial tenant space to residential use.

Source: County of Monterey, 2008 General Plan EIR; Table 3-8, pg. 3-16  
City of Carmel-by-the-Sea, 2007-2014 Housing Element; Table 2-5, pg. 2-8

Page 5-3, 1<sup>st</sup> full paragraph, is revised as follows:

...The City estimates that up to 18.5 af/yr (assuming a residential demand of 0.25 af/yr) would be necessary to serve its existing 58 56 residential lots of record (Marc Wiener, May 2014). According to the 2007-2014 Housing Element, development on existing vacant residential lots could accommodate up to 74 dwelling units assuming minor subdivisions of seven (7) of the 58 existing vacant residential lots. Proposed License 13868A would not include water use to support the development of new subdivisions. Therefore, the projected residential demand could be less than 18.5 af/yr. The estimated water demand excludes potential commercial or public facility demands as well as additional demands in connection with the development of mixed use or other opportunity sites in the City of Carmel-by-the-Sea. According to the City of Carmel-by-the-Sea's 2007-2014 Housing Element, there are opportunities for an additional 78 82 dwelling units within existing commercial areas and an additional 12 dwelling units in the R-4 zone.

Page 6-3, Section 6.4, is revised as follows:

The following section discusses the alternatives evaluated in this EIR and the comparative environmental effects of each. The alternatives considered in this analysis are as follows:

<sup>8</sup> While CDFW has identified recommended instream flow standards for the Carmel River, no official standards have been adopted and more-recent technical analyses indicate that actual instream flow requirements may be less (HDR, 2014). The analysis contained in this EIR is based on most recent technical analysis that considers project-specific impacts as it relates to the project affected reach. This EIR includes an evaluation of the proposed project's potential impacts based on the results of site-specific technical reports.



**CALIFORNIA STATE LANDS COMMISSION**  
 100 Howe Avenue, Suite 100-South  
 Sacramento, CA 95825-8202

RECEIVED

JUN 2 2015

MPWMD



*Established in 1938*

June 1, 2015

**JENNIFER LUCCHESI**, Executive Officer  
 (916) 574-1800 Fax (916) 574-1810  
 California Relay Service TDD Phone 1-800-735-2929  
 from Voice Phone 1-800-735-2922

**Contact Phone: (916) 574-1890**  
**Contact FAX: (916) 574-1885**

**NOTICE OF PREPARATION / NOTICE OF INTENT OF A DRAFT  
 ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL IMPACT STATEMENT  
 AND NOTICE OF PUBLIC SCOPING MEETING**

Bid Log 2012-12  
 W26636, W30193, R11112  
 CSLC EIR/EIS No. 767  
 State Clearinghouse No.: 2015061001

**NOTICE IS HEREBY GIVEN** that the California State Lands Commission (CSLC), as Lead Agency under the California Environmental Quality Act (CEQA), and Monterey Bay National Marine Sanctuary (MBNMS), as Lead Agency under the National Environmental Policy Act (NEPA), will prepare a joint Environmental Impact Report/ Environmental Impact Statement (EIR/EIS), and that CSLC and MBNMS staffs will hold a joint public scoping meeting for the project listed below.


**Project Title: MONTEREY BAY REGIONAL WATER PROJECT**

**Applicant:** DeepWater Desal, LLC

**Project Description and Location:** A proposed 25,000 acre-feet per year seawater reverse osmosis (SWRO) desalination facility and co-located seawater-cooled 150-megawatt computer data center campus located approximately 1.5 miles east of Moss Landing, Monterey County, and associated seawater intake and brine discharge pipelines that would extend west from Moss Landing Harbor to the upper reaches of the submarine Monterey Canyon and the north shelf, respectively, within Monterey Bay National Marine Sanctuary (Attachments 1-3).

**Meeting Information:** **Tuesday, June 16, 2015; sessions begin at 2 PM and 6 PM**  
**Moss Landing Marine Laboratories, Main Building Conference Room**  
 8272 Moss Landing Road  
 Moss Landing, CA 95039

Please see attachments for further details.

Signature:   
 Cynthia Herzog, Senior Environmental Scientist

June 1, 2015  
 Date



**NOTICE OF PREPARATION/NOTICE OF INTENT OF A DRAFT ENVIRONMENTAL  
IMPACT REPORT/ENVIRONMENTAL IMPACT STATEMENT AND  
NOTICE OF PUBLIC SCOPING MEETING**

**Date:** June 1, 2015

**To:** Responsible, Trustee and Cooperating Agencies and Interested Parties

**From:** CALIFORNIA STATE LANDS COMMISSION  
MONTEREY BAY NATIONAL MARINE SANCTUARY  
National Oceanic and Atmospheric Administration

**Project:** Monterey Bay Regional Water Project

**Applicant:** DeepWater Desal, LLC

**Project Location:** A proposed 25,000 acre-feet per year (AFY) seawater reverse osmosis (SWRO) desalination facility and co-located seawater-cooled 150-megawatt computer data center campus located on a 110-acre site approximately 1.5 miles east of Moss Landing in Monterey County, California. The Project would also include seawater intake and brine discharge pipelines that would extend west from Moss Landing Harbor to the upper reaches of the submarine Monterey Canyon and the north shelf, respectively, within Monterey Bay National Marine Sanctuary (MBNMS) (Attachments 1-4).

**Meeting Information:** Tuesday, June 16, 2015; sessions begin at 2 PM and 6 PM  
Moss Landing Marine Laboratories (MLML), Main Building Conference Room  
8272 Moss Landing Road  
Moss Landing, CA 95039

**Directions:** From the Monterey Peninsula, take Highway 1 North. Turn left onto Moss Landing Road (1.7 miles after Castroville). MLML main lab building is located at 8272 Moss Landing Road on the left directly after the cemetery.

From the Santa Cruz area, take Highway 1 South. Turn right onto Moss Landing Road (0.2 miles past the Duke Energy Power Plant). Continue straight through town past the antique stores and post office. MLML main lab building is located at 8272 Moss Landing Road on the right just before the cemetery.

State Clearinghouse No.: 2015061001

This Notice is also available online at [www.slc.ca.gov](http://www.slc.ca.gov) and on the Federal docket at [www.Regulations.gov](http://www.Regulations.gov).



## 1. CEQA/NEPA PROCESS

This Notice of Preparation/Notice of Intent (NOP/NOI) and Notice of Public Scoping Meetings are published in accordance with: the California Environmental Quality Act (CEQA); California Public Resources Code section 21080.4, subdivision (a); State CEQA Guidelines section 15082; section 102(2)(C) of the National Environmental Policy Act (NEPA) of 1969, as amended; and the White House Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA (CEQ NEPA Regulations).<sup>1</sup>

The California State Lands Commission (CSLC) and the MBNMS, as CEQA and NEPA lead agencies respectively, will prepare a joint Environmental Impact Report/ Environmental Impact Statement (EIR/EIS) to identify and assess potential environmental impacts associated with the proposed DeepWater Desal, LLC (DWD or Applicant) Monterey Bay Regional Water Project (Project). Publication of this notice initiates the public scoping process to solicit public and agency comment, in writing or at the public meeting, regarding the full spectrum of environmental issues and concerns relating to the scope and content of the EIR/EIS, including:

- analyses of the human and marine resources that could be affected;
- the nature and extent of the potential significant impacts on those resources;
- a reasonable range of alternatives to the proposed Project; and
- mitigation measures.

Applicable agencies will need to use the EIR/EIS when considering related permits or other approvals for the Project.

Written comments must be received or postmarked by **July 3, 2015**. Please send your comments at the earliest possible date as provided below:

<p><b>Comments to CEQA Lead Agency:</b></p> <p>Email comments, including attachments, to <a href="mailto:CEQAcomments@slc.ca.gov">CEQAcomments@slc.ca.gov</a> (preferred option)* or send them via mail or fax** to:</p> <p>Cynthia Herzog Senior Environmental Scientist California State Lands Commission 100 Howe Avenue, Suite 100-South Sacramento, CA 95825 FAX: (916) 574-1885 Phone: (916) 574-1890</p>	<p><b>Comments to NEPA Lead Agency:</b></p> <p>Submit comments to the Federal docket at <a href="http://www.Regulations.gov">www.Regulations.gov</a>:</p> <p><b>Docket ID:</b> NOAA-NOS-2015-xxx</p> <p><b>Agency:</b> National Oceanic and Atmospheric Administration</p> <p><b>Parent Agency:</b> Department of Commerce</p>
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\* Please write "Monterey Bay Regional Water Project NOP/NOI Comments" in the email subject line.

\*\* If faxed, please also mail a copy to ensure that a readable copy is received by this office.

<sup>1</sup> CEQA is in California Public Resources Code section 21000 et seq. and the State CEQA Guidelines are in California Code of Regulations, Title 14, section 15000 et seq. NEPA is in 42 United States Code (U.S.C.) section 4321 et seq., and the CEQ NEPA Regulations are at 40 Code of Federal Regulations (CFR) section 1500 et seq.

## 1.1 Important Notes to Commenters

Before including your mailing or email address, telephone number, or other personal identifying information in your comment, please be aware that the entire comment—including personal identifying information—may become publicly available, including in the EIR/EIS and posted on the Internet. The CSLC and MBNMS will make available for inspection, in their entirety, all comments submitted by organizations, businesses, or individuals identifying themselves as representatives of organizations or businesses.

If you represent a public agency, please provide the name, email address, and telephone number for the contact person in your agency for this EIR/EIS.

## 1.2 Public Scoping Meeting

Each session of the scoping meeting noticed above will begin with a brief presentation on the proposed Project. The CSLC and MBNMS staffs will then receive comments on the potentially significant environmental issues, Project alternatives, and mitigation measures that should be included in the EIR/EIS, until all persons present who wish to provide oral comments have done so, at which time staff will close the session. If persons present are still providing comments 30 minutes before the scheduled start of the second session, staff may suspend the first session but will continue to take comments after the second session begins. The CSLC and MBNMS staffs may impose a 3-minute time limit on oral comments.

If you require a sign language interpreter, or other reasonable accommodation to conduct business at the scoping meeting for a disability as defined by the Federal Americans with Disabilities Act or California Fair Employment and Housing Act, please contact the CSLC staff person listed in this NOP/NOI at least 48 hours in advance of the meeting to arrange for such accommodation.

## 2. PROJECT LOCATION AND BACKGROUND

The Applicant has applied to the CSLC and MBNMS to implement the Project at Moss Landing, Monterey County, California (Attachments 1-4). As proposed, DWD would construct and operate a seawater reverse osmosis desalination facility (SWRO Desalination Facility) capable of producing 25,000 acre-feet per year (AFY) of potable water and a co-located seawater-cooled computer data center campus on a 110-acre site located approximately 1.5 miles east of Moss Landing. Seawater intake and brine discharge pipelines would extend west from Moss Landing Harbor to the upper reaches of the submarine Monterey Canyon and the north shelf, respectively, within the MBNMS. A summary of Project components is included in Attachment 6.

The Monterey Bay region obtains most of its municipal water supplies from a combination of groundwater and diversions from local streams and rivers. The region has relatively little storage capacity for surface waters (reservoirs), and over-drafting of groundwater has resulted in seawater intrusion into coastal aquifers. Pending regulatory actions to reduce or eliminate water diversions from local rivers may also further restrict

water availability from those sources. The combined effect of these factors makes the region's water supply highly vulnerable in drought conditions.

According to the Applicant, the Monterey Bay region is also under-served by the lack of broadband fiber infrastructure and data storage capability. The proposed Project would address this issue through the development of a seawater-cooled computer data center co-located with the desalination facility.

### **3. PROJECT OBJECTIVE AND DESCRIPTION**

DWD's Project objective is to provide needed potable water for the Monterey Bay region, provide a drought reserve, and enable reduced groundwater pumping and surface water diversion to promote habitat restoration. A seawater-cooled data center would be co-located with the desalination facility to lower the cost of desalinating ocean water and to improve regional data connectivity. The Project would include the construction of the following components.

- SWRO Desalination Facility with Co-located Seawater-Cooled Data Center;
- Fiber Optic Cable Connections;
- Onshore Pipelines and Channel Crossing;
- Wet Well;
- Offshore Pipelines and Intake/Discharge Structures;
- Product Water Pipelines to the Monterey Peninsula, Castroville and Salinas, and Santa Cruz County; and
- Any necessary construction staging/storage areas (to be determined during EIR/EIS preparation).

Attachments 1 and 2 show the locations of these Project components. Attachment 6 provides a summary of the components.

#### **3.1 SWRO Desalination Facility with Co-Located Seawater-Cooled Computer Data Center**

##### *SWRO Desalination Facility*

The main entrance for the SWRO Desalination Facility site would be through an existing gate located at the western terminus of Via Tanques Road near the intersection of Via Tanques and Dolan Roads. The co-located seawater-cooled computer data center campus, an electrical substation, and water storage facilities would also be located on the site.

The SWRO Desalination Facility would produce 25,000 AFY of potable water from 55,000 AFY of seawater. Ten SWRO pumps (plus one stand-by) would pump the seawater through the SWRO membranes. Each pump has a rated capacity of approximately 1,600 gallons per minute (gpm), and would have discharge pressures ranging from 850 to 1,000 pounds per square inch (psi).

Most SWRO desalination plants employ energy recovery devices to recover pressure from the membrane reject stream and return it to the process. The proposed Project's process and energy recovery systems consist of a modular array and skid approach. One complete standby SWRO skid and energy recovery system would be available to ensure reliable water plant production. The entire membrane and energy recovery systems would be automated, and operating conditions such as pressure and water quality would be continuously monitored using sensors and computer control systems.

#### *Seawater-Cooled Computer Data Center Campus*

The seawater-cooled computer data center campus would include four two-story data center buildings. The total land footprint for the buildings is expected to be approximately 775,000 square feet. Each building would contain servers and related equipment requiring some portion of the targeted 150 megawatt (MW) total power load. The distribution of data center equipment (e.g., computer servers) would be roughly proportional to individual building size; approximately 27 MW of server load for the smaller buildings and 52 MW for the larger buildings. In addition to computer server space, each building would include office space, including restrooms, kitchen space and storage. A loading and trash enclosure area would be located to the rear of each building.

Each data center building would include a closed loop cooling system designed to provide air-conditioning to both office and computer server areas of the buildings. In lieu of the chiller units and evaporative cooling systems typically employed for building air conditioning, the data centers would reject heat to the cold seawater being pumped to the inlet side of the SWRO desalination facility. Each data center would draw a slipstream of water from the cold seawater line and run that water through a non-contact, tube-and-shell heat exchanger where it would collect heat from the data center cooling system. The heat exchanger tube sheet would be made of either titanium or an admiralty metal to avoid problems with corrosion. Assuming 150 MW of data center capacity, the incremental change in temperature to the intake seawater would be approximately 5 degrees centigrade. This heated seawater would then be pumped through the SWRO membranes, reducing the energy required to facilitate desalination.

#### *Electrical Substation*

The Project would have substantial electrical demands. The data center campus would require 150 MW and the SWRO Desalination Facility and other site infrastructure would require an additional 20 MW of electrical power. The data center campus derives commercial value in part from its ability to provide customers with critical space to support their servers, including access to a steady stream of high-quality electrical power supply. Interruptions of power could lead to server damage or corruption of data stored on the servers. Several high voltage power lines run through a corridor located on the SWRO Desalination Facility site. The proposed interconnection and substation facilities would provide redundant electrical power supply required to ensure reliability for data center operations. The electrical interconnection would require new transmission tower structures to redirect the Moss Landing-Coburn circuit beneath the existing transmission lines and into the new substation. Within the new substation, the

230 kilovolt (kV) circuit would pass through a series of electrical breakers before leaving the new substation on additional, new transmission structures and continuing its original routing on the existing transmission structures. The Project site would house all of the new transmission structures.

### *Product Water Storage*

Product water would be temporarily stored on site prior to forwarding it to a distribution pipeline. The storage facilities would be comprised of two aboveground tanks (approximately 160 feet in diameter and 37 feet tall) constructed of pre-stressed concrete, each with a capacity of 5.5 million gallons, which would provide sufficient retention time to satisfy disinfection requirements prior to distribution. A high-service water pump station would provide high quality drinking water for distribution. Eight operating and one stand-by pumps would each have a rated capacity of approximately 1,900 gpm and capable of discharge pressures reaching 100 psi to the distribution system. The pump bodies would be constructed of stainless steel; pipe and valves would be a combination of stainless steel, thermoplastic or lined steel based on pressure and service location.

### **3.2 New Fiber Optic Cable Connections for Data Center**

The Project would interconnect with existing fiber optic cables running along the nearby Union Pacific Railway line east of the Project site. Fiber optic cable would be buried in new conduits along the routes shown in Attachment 2.

### **3.3 Onshore Pipelines and Elkhorn Slough Channel Crossing**

DWD would install dual intake and discharge pipelines between the SWRO Desalination Facility and a shaft/pit (Shaft/Pit #1, see Attachment 2) using an open trench method to the greatest extent possible. As proposed, the seawater intake pipelines would be 42 inches in diameter; the brine discharge pipelines would be 36 inches in diameter. The pipeline materials used onshore would vary based on subsurface impediments, which are presently unknown, but would likely be composed of flexible polyvinyl chloride (FPVC). Subsurface conflicts that cannot be averted by open trench would be diverted above-grade on pipe saddles consisting of high-density polyethylene (HDPE), FPVC, or glass reinforced plastic (GRP).

Two parallel pilot tube tunnels would be constructed below California State Route 1 (SR-1) using horizontal directional drilling (HDD) technology. Single steel casings would be placed within each tunnel to convey individual discharge and intake lines below SR-1 (i.e., four casings total). The casing diameters are estimated to be 54 inches for the 42-inch intake lines and 48 inches for the 36-inch discharge lines, with a 3-foot clearance horizontally between the casing walls. Alternatively, based on final engineering design, DWD may install two larger-diameter casings, one for both 42-inch intake lines and one for both 36-inch discharge lines. The pipelines would run from Shaft/Pit #1 east of SR-1 through the tube tunnels below SR-1. The intake pipelines would continue to a proposed onshore gravity-fed wet well and pump. The discharge

pipelines would run adjacent to the wet well. Both the intake and discharge lines would run under Elkhorn Slough, as described below.

An approximately 130-inch-diameter steel casing would be installed under the Elkhorn Slough seabed using a micro-tunneling system between the onshore gravity-fed wet well/pump area and a second shaft/pit (Shaft/Pit #2) located in the parking area at Moss Landing State Beach. Both the dual 42-inch FPVC intake pipelines and the dual 36-inch FPVC discharge pipelines would run through this casing.

### **3.4 Wet Well**

DWD would construct a wet well, comprised of a concrete basin and pump station, on a privately owned parcel located west of the Moss Landing Power Plant, between the Pacific Gas and Electric Company (PG&E) substation and Elkhorn Slough. The wet well would provide a reservoir of seawater to supply the transfer pumps with seawater via gravity feed (to insure that the pump suctions are always flooded to avoid damaging the pumps) in order to deliver the seawater to the SWRO Desalination Facility site. The concrete basin would receive seawater delivered via the dual 42-inch subsurface intake lines. The pump station would contain six intake pumps (five operating and one stand-by) each with a rated capacity of approximately 6,800 gpm and with a discharge pressure of 55 pounds per square inch gauge (psig), a pig launching system, cathodic protection, and a water quality sampling station. The wet well and pumps would be located below grade. The only equipment planned to be above-grade would be housed in a small building and include transformers and an emergency backup power supply system.

Although the need for biofouling control cannot be determined until after the system is operational, a chemical biofouling control system would be included in the design of the wet well, and further described in the Draft EIR/EIS. The purpose of the biofouling control would be to prevent biological growth on the walls of the conveyance pipelines, which can affect water flow and increase energy demand.

### **3.5 Offshore Pipelines and Intake/Discharge Structures**

DWD would use HDD technology to install two 42-inch-diameter HDPE intake pipelines and two 36-inch-diameter steel discharge pipelines beneath the ocean floor. Due to space limitations on Moss Landing State Beach and the depth of the proposed Elkhorn Slough crossing microtunnel, HDD drilling operations would: (1) start at Shaft/Pit #3, which would be located within a restaurant parking lot across a small channel east of Moss Landing State Beach; (2) continue through Shaft/Pit #2 where the onshore and offshore pipelines would be connected; and (3) terminate offshore. Once the HDD drilling heading is offshore of Moss Landing State Beach, the HDD drives should be about 50 feet below the seafloor or greater until about 500 feet from the discharge and intake points. At that point, the drilling head would turn up at a 4° angle until it breaches the canyon wall for the intake pipeline or the seafloor for the discharge pipeline. The temporary casings used for the HDD drilling between Shaft/Pit #3 and Shaft/Pit #2 would be removed once the pipelines are installed at Shaft/Pit #2.

### **Intake Pipelines/Structures**

Seawater would be extracted from the ocean through a passive, wedgewire-screened, low-velocity intake mounted at the terminus of the two 42-inch intake pipelines. As proposed, the intake would be located on the uppermost northern slope of the Monterey Submarine Canyon approximately 2,565 feet offshore of the ordinary high water mark (OHWM), northwest of the Moss Landing Harbor entrance, at a depth of approximately 100 feet. DWD selected dual intake pipes rather than a single large diameter pipe to provide for flow redundancy during annual pipe cleaning and maintenance operations. Intake pipe redundancy would allow a minimum of 25 million gallons per day of uninterrupted seawater flow per pipe to support data center cooling and desalination operations during pigging operations or other maintenance activities.

At the breakout face where the dual pipelines emerge from the seafloor, the screening manifold for each pipe would be connected with flexible couplings to allow for some movement. However, the screens would also be secured to reinforced concrete pads with concrete pipe supports. In addition, the pads would be secured to the ocean floor with embedment anchors, hollow-bar, or rock-bolt anchors attached to gravity anchors (refer to Attachment 5). Screen sections could be removed entirely for maintenance purposes with little downtime; and the end of each pipe could also be removed to facilitate cleaning or pigging. In addition to the wedgewire screens, the screened deep water intake water velocity would be at or below the regulatory standards for open ocean intakes (0.5 feet per second).

Assertions by the Applicant that will be verified during the EIR/EIS process:

- The combined approach of intake screening and minimized intake velocity would meet the regulatory standard of Best Technology Available for reducing the environmental effects of the seawater intake.
- Withdrawing source water from the Monterey Submarine Canyon below the euphotic zone (the depth of a water column that is exposed to sufficient sunlight for photosynthesis to occur) would minimize environmental impacts that are a concern for open ocean intakes located in shallow water.
- Assessments conducted by the Applicant concluded that, due to a deep-water mass that predominates the upper slope of the canyon, fewer planktonic marine organisms are present in the water column at the depth of the proposed intake.
- The near-shore access to deep water makes siting an intake in deep water economically and technically feasible where it otherwise would not be for other coastal locations.

### **Discharge Pipelines/Structures**

The Applicant's preferred location for mixing brine with seawater is at the deep discharge site located at a depth of 35 meters. Two 36-inch-diameter steel discharge pipelines would be installed from Shaft/Pit #2 to the discharge location approximately 5,675 feet offshore from the OHWM near the terminus of the existing oil pipeline on the north flank of the Monterey Submarine Canyon. A unifying Y-connection would be

installed at the terminus of the two discharge pipes, combining them into a single HDPE section to allow for installation of diffusers. An example of the diffuser design is provided in Attachment 5.

The section would extend out to a diffuser system that would be oriented orthogonal to the shoreline. The system would consist of five discharge risers emerging from a manifold and fitted with duckbill diffuser nozzles to assure rapid and thorough mixing with ambient seawater. The diffusers would be attached to a distribution manifold and spaced approximately 3 feet apart (see Attachment 5).

### 3.6 Product Water Pipelines

In addition to the Project components analyzed fully in the EIR/EIS, the EIR/EIS will discuss at a programmatic level several Product Water Pipelines that could potentially deliver water south to the Monterey Peninsula communities, south to Castroville and southeast to Salinas, and north to Santa Cruz County. These Product Water Pipelines would be separately proposed, permitted, and constructed by the individual water suppliers. The three Product Water Pipelines discussed would include the following:

- Monterey Peninsula Product Water Pipeline. This pipeline would begin at the southeast corner of the SWRO desalination facility and extend 9 miles south along the Union Pacific Railroad through Castroville. The pipeline would then follow the Transportation Agency for Monterey County right-of-way to Beach Road in Marina. From there, the pipeline alignment would continue in a southerly direction for 7 miles connecting with the Seaside and Monterey Pipelines just north of the intersection of Auto Center Parkway and Del Monte Boulevard.
- Castroville and Salinas Product Water Pipeline. The pipeline would exit the SWRO Facility east to the Union Pacific Railroad corridor southward and then continue approximately 12 miles to the Cal Water Salinas distribution system.
- Santa Cruz County Product Water Pipeline. The pipeline would exit the SWRO Facility and cross Elkhorn Slough via HDD. On the north side of Elkhorn Slough, the pipeline would parallel an existing reclaim water pipeline to the Pajaro Valley Water Management Agency recycled water plant within an easement on Beach Road. The pipeline would then continue along San Andreas Road along an abandoned rail line. The pipeline would terminate at the Soquel Creek Water Management Agency's distribution system in Capitola.

## 4. PERMITS AND PERMITTING AGENCIES

In addition to action by the CSLC, the Project may also require permits and approvals from other reviewing authorities and regulatory agencies that may have oversight over aspects of the proposed Project activities, including but not limited to the following.

- Moss Landing Harbor District
- Monterey County
- Monterey County Air Pollution Control District (MCAPCD)
- California Coastal Commission (CCC)



- California Department of Fish and Wildlife (CDFW)
- Central Coast Regional Water Quality Control Board (RWQCB)
- State Office of Historic Preservation (SHPO)
- State Water Resources Control Board (SWRCB)
- Monterey Bay National Marine Sanctuary, National Oceanic and Atmospheric Administration (NOAA)
- National Marine Fisheries Service (NOAA Fisheries or NMFS)
- U.S. Army Corps of Engineers (USACE)
- U.S. Coast Guard (USCG)
- U.S. Fish and Wildlife Service (USFWS)
- Applicable Native American Tribes

**5. SCOPE OF THE EIR/EIS**

The CSLC and MBNMS staffs have conducted a preliminary review of the proposed Project and determined that an EIR/EIS is necessary based on the potential for significant impacts resulting from the Project. A preliminary list of environmental issues and alternatives to be analyzed in the EIR/EIS is provided below. Additional issues and/or alternatives may be identified during the scoping process and/or during preparation of the EIR/EIS. The CSLC and MBNMS staffs invite comments and suggestions on the scope and content of the environmental analysis, including the significant environmental issues, reasonable range of alternatives, and mitigation measures that should be included in the EIR/EIS.

Use of the term “significant” differs under CEQA and NEPA. While CEQA requires that a determination of significant impacts be stated in an EIR; NEPA does not require such a determination in an EIS. Under NEPA, significance is used to determine whether an EIS or some other level of documentation is required, and once a decision to prepare an EIS is made, the EIS reports all impacts, regardless of significance, and proposes mitigation wherever it is feasible to do so.

Because CEQA requires significance determinations and NEPA does not, the specific significance determinations in the EIR/EIS will be made under CEQA. The following designations will be used in the EIR/EIS when examining the potential for impacts for each environmental issue area.

<b>Significant Impact</b>	Any impact having a substantial, or potentially substantial, adverse change in the environment, and for which feasible mitigation must be identified and implemented. If any significant impacts are identified that cannot be mitigated to a less than significant level, the impact would be <i>significant and unavoidable</i> ; if any significant impacts are identified for which feasible, enforceable mitigation measures are developed and imposed to reduce the impacts below applicable significance thresholds, the impact would be <i>less than significant with mitigation</i> .
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<b>Less Than Significant Impact</b>	Any impact that would not be considered significant under CEQA relative to the applicable significance threshold, and therefore would not require mitigation.
<b>No Impact</b>	The Project would not result in any impact to the associated environment.
<b>Beneficial Impact</b>	The Project would provide an improvement to the associated environment in comparison to the baseline information.

The estimations of impact levels used for this NOP/NOI are based solely on preliminary documents. Impact levels may change and additional impacts may be identified during preparation of the EIR as more information is obtained.

### 5.1 Currently Identified Potential Environmental Impacts

The EIR/EIS for the MBRWP will discuss and assess the following: the purpose and need for the Project, which would require CSLC approval of a State lease, California Coastal Commission approval for a Coastal Development Permit, and federal approval to construct and operate the Project; the affected environment/baseline; Project alternatives, including the no action/no project alternative and other feasible alternatives identified to reduce significant impacts of the proposed Project; the impacts of the Project and its alternatives on the environment; and feasible mitigation measures to avoid or substantially reduce the environmental effect of the Project and its alternatives.

Based on initial internal scoping, the Project is not anticipated to affect the following environmental issue areas identified in State CEQA Guidelines Appendix G (Environmental Checklist Form), which could therefore be eliminated from consideration in the EIR/EIS.

- **Population or Housing** – The Project is not anticipated to displace existing housing or population or create the need for new temporary housing for construction workers. (The potential for the project to result in long-term growth inducing effects will be addressed in a separate growth-inducement analysis. See Section 5.2.)

Environmental issues that may require detailed analysis include, but are not necessarily limited to the following.

- **Aesthetics** – *Potential impacts of aboveground pipeline routes, the water storage tanks, or other Project components on scenic vistas and eligible scenic highways.*
- **Agriculture** – *Potential impacts on designated farmland and Williamson Act contracts due to pipeline routes and other Project components.*
- **Air Quality** – *Potential for onshore and offshore construction and operation emission impacts on regional air quality and potential health risks from increased air pollutant emissions.*

- **Biological Resources (Marine and Terrestrial)** – *Potential direct and indirect impacts on marine and terrestrial biological resources.* The EIR/EIS will: (a) evaluate potential impacts on Essential Fish Habitat, and other critical habitats and natural communities such as wetlands and riparian vegetation, threatened and endangered species and other special status species including marine mammals, fish, turtles, invertebrates, seabirds and shorebirds, invasive species, marine protected areas (see Attachment 3), refuges, preserves, MBNMS and local estuaries, and wetlands; (b) analyze potential noise, vibration and lighting impacts on marine mammals and birds; (c) analyze the potential for entrainment and/or impingement of marine species due to any pumping and processing of seawater; and (d) analyze the effects of vessel traffic creating a potential for an encounter with marine mammals. NEPA mandates that Federal agencies assess proposed Federal actions' environmental impacts, including impacts on marine and terrestrial biological resources. Federal agencies meet their NEPA review responsibilities by completing the NEPA processes set forth in their NEPA implementing procedures and CEQ NEPA Regulations (40 CFR § 1500 et seq.).
- **Cultural Resources** – *Potential impacts on cultural resources, both offshore (e.g., shipwrecks) and onshore, and their potential sensitivity and proximity to the Project's nearshore and onshore activities.* Documented sensitive resources would be avoided or mitigated in accordance with existing regulations in consultation with the State Historic Preservation Office (SHPO), local Tribes, and the CSLC and MBNMS. NEPA mandates that Federal agencies assess proposed Federal actions' environmental impacts, including impacts on historic and cultural resources. Federal agencies meet their NEPA review responsibilities by completing the NEPA processes set forth in their NEPA implementing procedures and CEQ NEPA Regulations (40 CFR § 1500 et seq.).
- **Geology and Soils** – *Potential impacts associated with geologic and soil hazards (e.g., erosion, differential settlement), seismic hazards and seismically induced hazards, including earthquakes, ground shaking, and tsunamis.*
- **Greenhouse Gas (GHG) Emissions and Climate Change** – *Potential impacts due to GHG emissions from Project construction and operation activities based, if applicable, on guidelines provided by the Monterey Bay Unified Air Pollution Control District.* The analysis will include an assessment of projected emissions resulting from co-locating the proposed data center campus with the desalination facility.
- **Hazardous Materials/Risk of Upset** – *Potential upset conditions during Project construction and operation that could result in release of hazardous materials, fire, explosion or other conditions that could be hazardous to both the public and specific resources (e.g., Biological Resources; Hydrology, Oceanography and Water Quality).* Potential safety hazards of the Project and alternatives will be based on a change from existing conditions. The EIR/EIS will also address the handling, storage, and disposal of hazardous materials (e.g., petroleum products,

solvents, drilling muds and cuttings, and otherwise regulated chemical materials) that could result from Project activities.

- **Hydrology, Oceanography & Water Quality** – *Potential impacts on surface water, groundwater, marine hydrology, and water quality resulting from the Project, and specifically the discharge of brine.* This section will rely, in part, on information from various agencies including Monterey County, RWQCB, and NMFS, as well as any new scientific information.
- **Land Use, Planning** – *Potential land use and planning impacts associated with the Project in regards to existing land use and planning conditions and consistency with land use policies/plans in the Project vicinity, such as those related to offshore sanctuaries, marine protected areas, designated agricultural areas and sea level rise.*
- **Mineral Resources** – *Project alternatives may include the use of sand to filter seawater.* The proposed Project does not preclude or involve significant extraction and removal of that may be deemed to be a locally important mineral resource of value to the region. In addition, the Applicant plans to use prefabricated filters, not sand, to remove suspended solids from the seawater that could otherwise foul the SWRO membranes. The filters would be horizontal pressure-type and constructed of rubber-lined carbon steel.
- **Noise** – *Potential noise impacts, both from onshore and offshore short-term (construction) and long-term noise sources, on human recreators, such as divers and beachgoers, workers, and residents.* The Biological Resources section of the EIR/EIS will analyze impacts of underwater noise on marine life (due to the installation of offshore portions of the intake and discharge pipelines).
- **Public Services** – *Potential impacts due to the development of a SWRO Facility and data center campus, as it is anticipated that the Project would be served by existing fire and police services within existing service areas.*
- **Recreation** – *Potential impacts from temporary construction activities or hazardous materials releases that could preclude the use of nearby marine waters, beach areas and associated activities.* Onshore recreation within the Project area would likely impact bike and pedestrian traffic, parking for anglers, and kayaking. Offshore recreation within the Project area consists of beachgoing, surfing, boating, kayaking and fishing, among other water sports, and the marine waters provide opportunities for fishing and whale watching.
- **Transportation/Traffic** – *Potential impacts due to activities that would generate construction vehicle trips, resulting in a temporary increase in traffic volumes along local and regional roadways, and the installation of pipelines along or adjacent to road right-of-ways, resulting in temporary road closures and traffic delays.* In addition, offshore construction may conflict with offshore commercial and recreational vessel traffic in the Project area.

- **Utilities and Service Systems** – Potential impacts associated with electrical power used for the SWRO Facility and seawater-cooled data centers. A new project substation would be built and interconnected to the 230 kV Moss Landing Coburn Line that crosses Project property. As proposed, brine from the desalination process would be conveyed to an offshore discharge location.
- **Other Issues: Socioeconomics and Environmental Justice** – Whether the Project would have the potential to disproportionately affect area(s) of high-minority population(s) and low-income communities, and the Project's consistency with the CSLC's and Federal Environmental Justice Policies. Socioeconomic conditions relevant to this analysis may include, but not be limited to, those related to commercial and recreational fishing due to the nature of the ongoing operation of the desalination Project (ocean water intake and brine discharge).

## 5.2 Special Impact Areas

- **Cumulative Impacts.** State CEQA Guidelines section 15130 requires an EIR to discuss the cumulative impacts of a project when the project's incremental effect is "cumulatively considerable." NEPA guidance also states that cumulatively significant impacts be discussed (40 CFR § 1508.25). A cumulative impact is created through a combination of the project being analyzed in an EIR and other projects in the area causing related impacts. The EIR/EIS will: define the geographic scope of the area affected by cumulative effects ("Cumulative Impacts Study Area"), which for the proposed Project is presently defined as the Monterey Bay region; discuss the cumulative impacts of the proposed Project in conjunction with other approved and reasonably foreseeable projects in the study area; and identify, if appropriate, feasible measures to mitigate or avoid the Project's contribution to cumulative effects.
- **Growth-Inducing Impacts.** CEQA and NEPA require a discussion of the ways in which a proposed project could foster economic or population growth, including the construction of additional housing, in the project's vicinity. Under the State CEQA Guidelines (§ 15126.2, subd. (d)), a project is growth-inducing if it fosters or removes obstacles to economic or population growth, provides new employment, extends access or services, taxes existing services, or causes development elsewhere. CEQ NEPA Regulations (40 CFR § 1508.8(b)) state that "indirect effects may include growth inducing effects and other effects related to induced changes in the pattern of land use, population density or growth rate, and related effects on air and water and other natural systems, including ecosystems."
- **Irreversible/Irretrievable Commitment of Resources.** The EIR/EIS will include a discussion of the development and commitment of resources.

### 5.3 EIR/EIS Alternatives Analysis

In addition to analyzing the potential impacts associated with the proposed Project, in accordance with the State CEQA Guidelines, an EIR must:

*...describe a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project, but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives (§ 15126.6).*

Per NEPA Guidance, an EIS must:

*...(a) Rigorously explore and objectively evaluate all reasonable alternatives, and for alternatives which were eliminated from detailed study, briefly discuss the reasons for their having been eliminated. (b) Devote substantial treatment to each alternative considered in detail including the proposed action so that reviewers may evaluate their comparative merits (CEQ NEPA Regulations; 40 CFR § 1502.14).*

The State CEQA Guidelines also require that the EIR/EIS evaluate a “no project” alternative and, under specific circumstances, designate an environmentally superior alternative from among the remaining alternatives. CEQ NEPA Regulations specify that an alternative of no action be included in the analysis. Alternatives will be identified as a result of the environmental analysis and on information received during scoping. The EIR/EIS will:

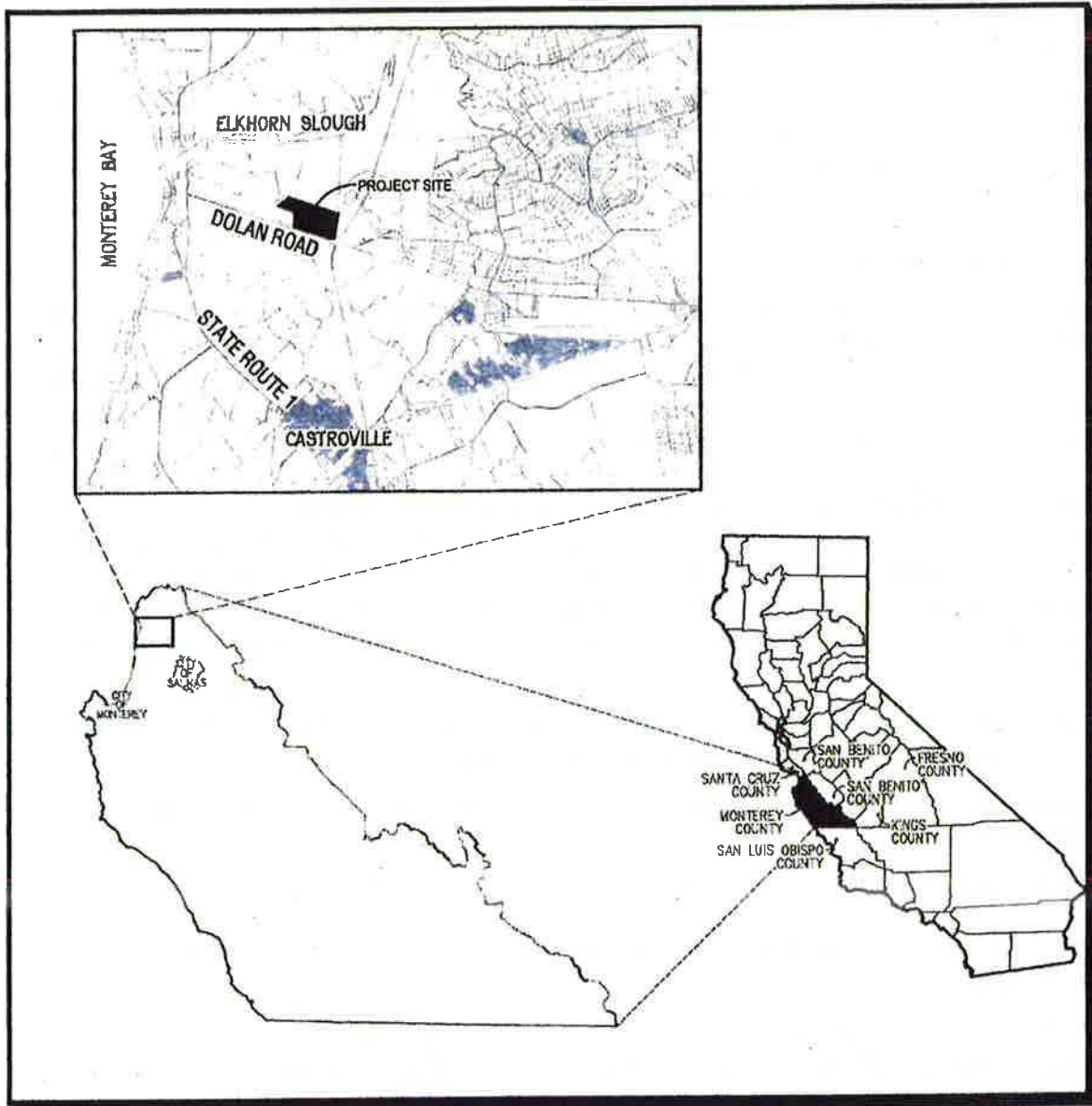
- provide the basis for selecting alternatives that are feasible and that would reduce significant impacts associated with the proposed Project;
- provide a detailed explanation of why any alternatives were rejected from further analysis; and
- evaluate a reasonable range of alternatives including the “no project” alternative.

Examples of possible alternatives, or combinations of alternatives, to be evaluated include the following:

- Alternative subsurface intake
- Alternative locations for intake and discharge inlet and outlets
- Alternative onshore intake/discharge pipeline routes
- Alternative production capacity including fewer or smaller pipelines
- Alternative wet well locations
- No Project Alternative

The EIR/EIS may also include as part of the analysis of Project alternatives, project-level analyses of other currently proposed desalination projects requiring approval by CSLC and MBNMS. The analysis would incorporate by reference information contained in other EIRs prepared by other State and/or local agencies, or application documents prepared by applicable desalination project proponents. Alternatively, the EIR/EIS may analyze these other desalination projects as part of the cumulative impacts discussion.

**ATTACHMENT 1. PROJECT LOCATION**



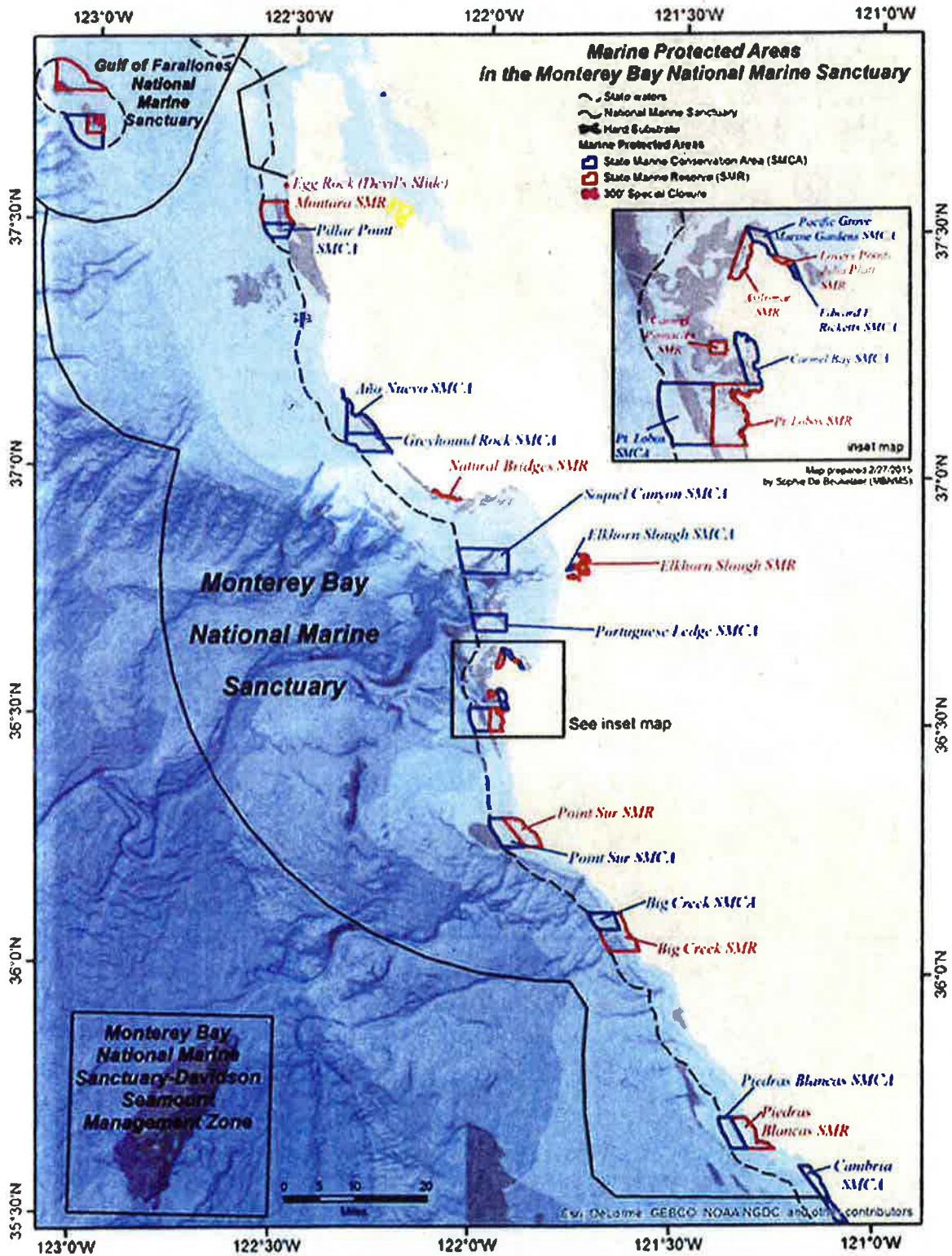


**ATTACHMENT 2. PROJECT COMPONENTS**





ATTACHMENT 3. MARINE PROTECTED AREAS

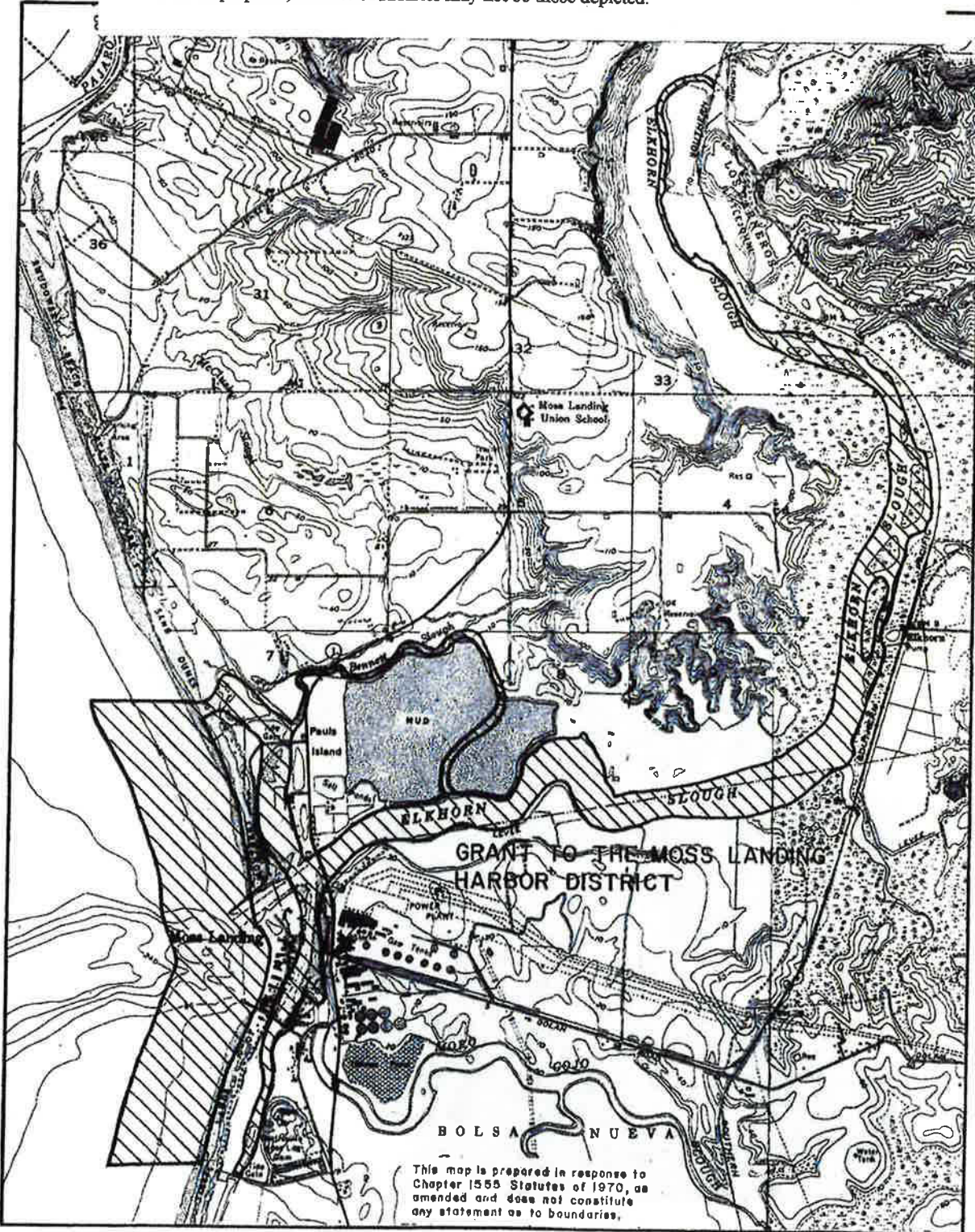


Graphic taken from <http://montereybay.noaa.gov/materials/maps.html#mlpa>



**ATTACHMENT 4. CSLC GRANT MAP**

This map was prepared by the staff of the California State Lands Commission. The map was based upon information available to the staff at the time of the survey. It does not reflect legislation, court decisions, or other information unavailable to staff at the time of the survey. Therefore, while useful for general grant administration purposes, the true boundaries may not be those depicted.



This map is prepared in response to Chapter 1555 Statutes of 1970, as amended and does not constitute any statement as to boundaries.

### ATTACHMENT 5. EXAMPLE INTAKE AND DISCHARGE STRUCTURES

Proposed Intake Detail



Example of Proposed Linear Diffuser





**ATTACHMENT 6. SUMMARY OF PROJECT COMPONENTS**

Primary Project Components	
Seawater Reverse Osmosis Desalination Facility (SWRO Facility) and Seawater-Cooled Data Center Campus	<ul style="list-style-type: none"> <li>• An SWRO Facility would be located on a 110-acre site and capable of producing 25,000 acre-feet per year (AFY) of potable water from 55,000 AFY of seawater.</li> <li>• The site would also house a seawater-cooled, 150-megawatt data center campus and an electrical substation.</li> </ul>
Fiber Optic Cable Connections	<ul style="list-style-type: none"> <li>• The project would interconnect with existing fiber optic cable running along the nearby Union Pacific Railway line east of the Project site.</li> </ul>
Onshore Pipelines and Elkhorn Slough Channel Crossing	<ul style="list-style-type: none"> <li>• Two 42-inch-diameter intake pipelines and two 36-inch-diameter discharge pipelines would be installed underground using an open trench construction method where feasible, from the SWRO Facility to Shaft/Pit #1.</li> <li>• Shaft/Pit # 1 would be sited east of SR-1.</li> <li>• Two parallel pilot tube tunnels would be constructed below State Route 1 (SR-1) using horizontal directional drilling (HDD) technology. The tunnels would house four steel casings (two 54-inch casings for each of the two 42-inch intake lines and two 48-inch casings for each of the two 36-inch discharge lines). Alternatively, based on final engineering design, DWD may install two larger-diameter casings, one for both 42-inch intake lines and one for both 36-inch discharge lines.</li> <li>• All four pipelines would be installed between Shaft/Pit #1, under SR-1, to a gravity-fed wet well and pump west of SR-1.</li> <li>• One 130-inch-diameter steel casing would be installed under the Elkhorn Slough channel using a micro-tunneling system.</li> <li>• Both the dual 42-inch intake pipelines and the dual 36-inch discharge pipelines would run from the wet well/pump, below the Elkhorn Slough channel, to Shaft/Pit #2.</li> <li>• Shaft/Pit #2 would be sited in the parking area at Moss Landing State Beach.</li> </ul>
Wet Well	<ul style="list-style-type: none"> <li>• An onshore gravity-fed wet well and pump would be sited west of SR-1 and existing Dynegy and PG&amp;E facilities. The wet well would allow seawater intake flow to fill a reservoir to facilitate pumping of the seawater to the SWRO Facility.</li> </ul>
Offshore Pipelines and Intake/Discharge Structures	<p><b>HDD</b></p> <ul style="list-style-type: none"> <li>• Two 42-inch-diameter intake pipelines and two 36-inch-diameter discharge pipelines would be installed using HDD technology. HDD operations would be initiated at Shaft/Pit #3. However, the offshore and onshore pipelines would connect at Shaft/Pit #2.</li> <li>• Shaft/Pit #3 would be sited within a restaurant parking lot across a small channel east of Moss Landing State Beach. The site was selected due to space limitations on Moss Landing State Beach and the depth of the proposed Elkhorn Slough tunnel crossing.</li> <li>• DWD would remove temporary casings placed between Shaft/Pit #3 and Shaft/Pit #2 once the pipelines are in place.</li> </ul>

Primary Project Components	
Offshore Pipelines and Intake/Discharge Structures (continued)	<p><u>Intake</u></p> <ul style="list-style-type: none"> <li>• Two 42-inch HDPE intake pipelines would be installed between Shaft/Pit #2 and a deepwater ocean intake.</li> <li>• The intake would be located on the uppermost northern slope of the Monterey Submarine Canyon and mounted at the terminus of the pipeline approximately 2,565 feet offshore of the Ordinary High Water Mark (OHWM). This intake would be screened.</li> </ul> <p><u>Discharge</u></p> <ul style="list-style-type: none"> <li>• Two 36-inch steel pipelines installed between Shaft/Pit #2 and a deepwater discharge structure.</li> <li>• The discharge location would be approximately 5,675 feet offshore of the OHWM.</li> </ul> <p>The structure would include a series of duckbill diffusers designed to assure rapid and thorough mixing with ambient seawater. The system includes a linear, five-jet riser/diffuser located at depth within the oceanographic area near the terminus of the existing oil pipeline on the north flank of the Monterey Submarine Canyon. The diffusers would be attached to a distribution manifold and spaced at approximately 3 feet apart.</p>
Potential Product Water Pipelines/Routes <sup>2</sup>	
Monterey Peninsula Product Water Pipeline	<ul style="list-style-type: none"> <li>• Begins at southeast corner of SWRO Facility</li> <li>• Extends 9 miles south along the Union Pacific Railroad through Castroville</li> <li>• Follows the Transportation Agency for Monterey County right-of-way to Beach Road in Marina</li> <li>• Continues in a southerly direction for 7 miles connecting with the Seaside and Monterey Pipelines just north of the intersection of Auto Center Parkway and Del Monte Boulevard</li> </ul>
Castroville and Salinas Product Water Pipeline	<ul style="list-style-type: none"> <li>• Exits SWRO Facility east to the Union Pacific Railroad corridor southward</li> <li>• Continues approximately 12 miles to the Cal Water Salinas distribution system</li> </ul>
Santa Cruz County Product Water Pipeline	<ul style="list-style-type: none"> <li>• Exits SWRO Facility to the Vierra Wet Well site</li> <li>• Crosses Elkhorn Slough via Horizontal Directional Drilling</li> <li>• On north side of Elkhorn Slough; parallels an existing reclaim water pipeline to the Pajaro Valley Water Management Agency recycled water plant on Beach Road</li> <li>• Continues along San Andreas Road along an abandoned rail line</li> <li>• Terminates at Soquel Creek Water Management Agency's distribution system in Capitola</li> </ul>

<sup>2</sup> The EIR/EIS will programmatically discuss several Product Water Pipelines to deliver water south to Monterey Peninsula communities, east to Castroville and Salinas, and north to Santa Cruz County. These Product Water Pipelines would be separately proposed, permitted, and constructed by the individual water suppliers.



# Association of California Water Agencies

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Monterey Peninsula Water Management District  
5 Harris Court  
Monterey, CA93940

The Association of California Water Agencies would like to thank Monterey Peninsula WMD for submitting the nomination of David J. Stoldt for the 2015 Excellence in Water Leadership Award – *Building a World of Difference*®.

ACWA received several exemplary nominations for this award. We regret that your nomination was not selected this year.

We appreciate your participation in ACWA's awards program and encourage you to make a nomination next year, if applicable.

Sincerely,

Timothy Quinn  
ACWA Executive Director

